State has surplus, but not nearly enough to cover education mandate

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The state budget director warns the projected surplus is not enough to address a mandate by the state Supreme Court related to education funding, with costs related to that mandate of at least \$3 billion.

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OLYMPIA — Washington state lawmakers will have a little more money than expected heading into their next two-year budget cycle, but the state budget director warned Wednesday it's not enough to address a mandate by the state Supreme Court related to education funding.

Numbers released by the Washington state Economic and Revenue Forecast Council and Office of Financial Management (OFM) showed the current two-year budget that ends in the middle of 2017 will have a surplus of about \$308 million, putting it at \$38.1 billion. The council also adjusted its forecast for the following two-year budget projection that shows \$127 million more than originally expected. The 2017-2019 state budget is now expected to be at \$41 billion.

"It certainly helps a little bit," said OFM Director David Schumacher. "We still have plenty of work to do."

The state Supreme Court ruled in 2012 that lawmakers were not meeting their constitutional responsibility to fully pay for basic education. They gave the Legislature until the 2017-18 school year to fix the problem, and ultimately found the Legislature in contempt in 2014 before sanctioning them last year.

The state has assessed \$100,000-a-day sanctions since last August that are supposed to be set aside in an education fund, something that lawmakers have not yet done, though there's enough in state reserves to cover the amount.

Since the ruling, lawmakers have spent more than \$2 billion to address issues raised in the lawsuit. Schumacher said that the costs related to that court mandate are at least \$3 billion.

Gov. Jay Inslee will release a supplemental budget proposal in December. Last week, OFM sent state agencies a letter telling them to limit their requests for new funding and not expect restoration of previous cuts because of the necessary focus on education funding.

"Competition for available resources will be intense," Schumacher wrote. "While agencies should always strive to reduce costs and find new ways to save resources, these efforts will be especially important over at least the next two biennia."

Lawmakers will return to Olympia in January, and the House and Senate will each present their supplemental budget proposals during the 105-day legislative session.

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